

Executive Committee Meeting  
October 3, 2006  
3:00 p.m. to 5:00 p.m.

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Commissioner MacRae called the meeting to order at 3:07 p.m. Roll was taken and the following Commissioners were present: Commissioner Bilby, Bridwell, Koeberer, Lawrance, and MacRae. Others present included: Executive Director Beteta, Sue Coyle, Damon Eberhart, Tracy Garrett, Ross Hutchings, Jennifer Jasper, Bob Roberts, and Susan Wilcox.

Motion by Commissioner Lawrance to approve the minutes of June 28, 2006. Second by Commissioner Bilby. Damon Eberhart asked to have the word "possible" corrected to "feasible" in the financial section. Motion unanimously approved.

**Executive Director Report**

Executive Director Beteta thanked everyone for attending and reported that the Governor had signed the tourism funding bill (AB 2592) on the prior Friday. She reported that staff is gearing up for upcoming marketing activities and the upcoming referendum. She reported that a conference call with the rental car industry will be held the next day to discuss the upcoming referendum timeline since the rental car industry would like to start passing on the fees beginning January 1, 2007. She reported that Mike Kvarme has written a draft MOU that will become part of referendum to ensure a long-term funding solution for the Commission. She also reported that staff is working on the upcoming Governor's Trade and Tourism Mission to Mexico City in November. The CTTC will be hosting the signature event, which will consist of an IMAX movie premier of "Adventures in Wild California." Lastly, she reported that the communications team is currently hosting the San Francisco Media Event, which has a record-breaking 90 members of the media and 88 delegates attending.

**Budget Update/Marketing Update**

Commissioner Bilby reported that the current \$18.25 million plan has been reviewed by staff to update for the \$25 million marketing plan and will be presented to the Marketing Advisory Committee for approval on October 24, 2006. She reported that the International Advisory Committee will be meeting in the coming weeks.

Executive Director Beteta reported that Commissioner Zucker had offered to have the CTTC shoot NASCAR legend Jeff Gordon. She reported that she and staff went to the California Speedway for the shoot over Labor Day weekend and it will be included in the new spring advertising campaign. She also reported that the CTTC is gearing up for the upcoming winter sports campaign with the snowsports industry, which, if approved by the Commission, will start to air November 1, 2006.

Commissioner Bilby reported that an additional \$5,000 has been allocated for each rural region, but it will also require the 60/40 match contribution. Executive Director Beteta reported that she and staff have been to the Fresno area five times in the last four months to support the area; she would like to see other rural regions throughout the state create programs like the San Joaquin Valley Tourism Corridor.

Executive Director Beteta distributed a new organizational chart for discussion. She reviewed the changes and reported that staff would like to add three additional positions for the current fiscal year. These positions will include a new Rural Tourism Development Manager, Events Coordinator, and an Administrative Assistant for the Operations Department. She also reported that staff will be looking at staffing needs for the next fiscal year and may ask for additional staff next fiscal year if deemed necessary. Commissioner Bilby reported that Glenda Taylor has been promoted from Travel Trade Manager to Director of International and Domestic Travel Trade.

Motion by Commissioner Koeberer to approve the organizational chart as presented. Second by Commissioner Lawrance. Commissioner MacRae stated that the revised organizational chart requires no additional money for this fiscal year. Total staff will be 23 Commission employees and seven state employees. Motion unanimously approved.

**Government Affairs Update**

Bob Roberts reported that the Government Affairs Committee has been extremely active in recent months helping with the tourism funding bill (AB 2592). He reported the CTTC has acquired a partnership with the rental car

industry to secure a long-term funding solution for the CTTC and that recently the Governor has signed the bill. He also reported that he will be working with the committee to detail some “clean-up” language for the tourism funding bill. He stated that the committee would also like to see the state’s funding commitment to be approximately \$2.5 million or 5-percent of the total CTTC budget. Commissioner MacRae stated that he would like the CTTC to make sure the committee has the resources needed to ensure the revised tourism funding bill will be passed in the subsequent year. He also stated that the rental car industry agreed to only take six seats on the Commission, which is disproportionate to the other segments in terms of revenue paid. He reported that with this clean-up language the CTTC need to add six seats to the Commission since the Commission does not want to take any seats from other segments.

**Motion by Commissioner Koeberer to reconfirm the Government Affairs Committee and to give them power to seek to eliminate the “sunset” provision in the bill and to set the state funding requirement at a minimum of \$3.65 million. Second by Commissioner Bridwell. Motion unanimously approved.**

#### **Nominating Committee Update**

Commissioner Lawrance reported that the Nominating Committee has not met recently, but is planning to meet later in October to discuss vacant seats on the Commission and Executive Committee. He reported that the committee hopes to have at least two nominees at the next Commission meeting to be approved.

#### **Financial Report**

Damon Eberhart reported that Moss Adams is in the process completing an annual audit and plans to have draft audit report on October 16, 2006. He also reported that since the CTTC budget will be \$50 million for the next fiscal year it would be wise to move to an accrual basis for revenue in the succeeding years.

Executive Director Beteta reported that due to the timing of cash flow and media buys in the current fiscal year the CTTC may be in the position to require a loan to temporarily cover the media buy. She reported that this issue will be brought up during the conference call meeting; it will be stressed that the CTTC has never had to secure a loan.

#### **Assessment Update**

Terri Toohey reported that the assessment team has had some collection issues under the new \$650 per million rate. She stated that a majority of the businesses are currently paying on 2005 revenue and the new rate commenced in 2006. She reported that California Tourism has had to make some budget adjustments accordingly. Executive Director Beteta reported that due to this adjustment The CTTC is currently budgeting \$7.6 million in revenue for the current fiscal year.

Terri stated that they are in the process of sending a letter to all businesses that reported in July to offer a refund or a credit towards next year’s payment.

#### **Other Business**

Executive Director Beteta reported that California Congressional Leadership Dinner in Washington, DC was a huge success. She reported exceptional attendance, with over 20 members of Congress and over 70 delegates attending. She reported that the CTTC would like to hold another event next year, but will look at the event on a year-by-year basis.

Beteta reported that she and Susan Wilcox will be testifying before the California Transportation Commission to request an additional allocation of \$150 million to make improvements to the state’s failing system. She thanked Sunne Wright McPeak for her leadership in making this program happen.

Beteta reported that she attended a meeting with Amgen to discuss the upcoming 2007 Tour of California race. She reported that last year the race attracted \$1.3 million spectators in its first year and, consequently, was the largest single sporting event ever held in California and the US. She reported that the CTTC is working with the race sponsors for the upcoming race and hopes to plan the February Commission meeting around the race. She reported that the CTTC will plan Commission meetings a year in advance; dates will be given at the upcoming meeting on October 25, 2006.

Jennifer Jasper reported that the CTTC will be holding a joint reception aboard a Hornblower yacht at the next Commission meeting. She reported that since this event will be held on a Commission member's facility, the CTTC cannot pay for any part of this event. She asked for everyone to help in donating items. Executive Director Beteta asked Ross Hutchings from CalTia if they could provide any support for this reception. He stated that he was unaware that donations were needed.

**Public Comment**

Ross Hutchings asked if the CTTC has looked at the issue regarding passports to neighboring countries. Executive Director Beteta reported that this is a federal issue and a top issue with TIA.

**Adjournment**

Motion by Commissioner Lawrance to adjourn the meeting at 5:04 p.m. Second by Commissioner Lawrance. Motion unanimously approved.